

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,

Plaintiff,

v.

MOHAMED ABDI,

Defendant.

INDICTMENT

CR 12-98 JRT/JJK

(26 U.S.C. § 7201)

(26 U.S.C. § 7202)

(18 U.S.C. § 2)

THE UNITED STATES GRAND JURY CHARGES THAT:

1. From at least 2003 through at least December 6, 2007, the defendant, MOHAMED ABDI, was a resident of the state and District of Minnesota. ABDI was also know as "SADIQ."

2. From at least 2003 through approximately August 2007, MOHAMED ABDI was the sole owner of SIHAM SOLUTIONS, INC. ("SIHAM"), and he controlled the corporation.

3. For calendar years 2005 through 2007, MOHAMED ABDI, through SIHAM, agreed to provide clients with various payroll services, including the following: (1) issuing payroll checks to the employees of SIHAM's clients; (2) providing SIHAM's clients and their employees with an accounting of the paychecks, including the federal income taxes withheld and the employment taxes (Social Security and Medicare) withheld; (3) providing a quarterly accounting to the Internal Revenue Service ("IRS") of the federal income and employment taxes withheld from the employees of SIHAM's clients; and (4) paying to the IRS on at least a quarterly basis the federal income and employment taxes withheld from the employees

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U.S. DISTRICT COURT ST. PAUL

FILED APR 09 2012

RICHARD D. SLETTEN

JUDGMENT ENTD

DEPUTY CLERK

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of SIHAM's clients and the federal employment taxes owed by SIHAM's clients.

4. For calendar years 2005 through 2007, MOHAMED ABDI, through SIHAM, also agreed to account for and pay over state income taxes withheld from the employees of SIHAM's clients to the Minnesota Department of Revenue and to account for and pay over state unemployment taxes owed by SIHAM's clients to the state of Minnesota.

5. The quarterly accounting statements for federal income and employment taxes were required to be made by SIHAM's clients and MOHAMED ABDI, through SIHAM, on an Employer's Quarterly Federal Return, Form 941, for each quarter of the calendar year, and they were required to be filed with the IRS within one month after each quarter ended.

6. For each quarter of the calendar year, SIHAM's clients and MOHAMED ABDI, through SIHAM, were required to pay over to the IRS the federal income and employment taxes withheld from the employees of SIHAM's clients and the federal employment taxes owed by SIHAM's clients. SIHAM's clients and MOHAMED ABDI, through SIHAM, were required to make these payments to the IRS within fifteen days after the end of each month for some SIHAM clients and within one month after the end of each quarter for other SIHAM clients.

7. To enable MOHAMED ABDI, through SIHAM, to make payments to their employees, to the IRS, to the state of Minnesota, to the Minnesota Department of Revenue, and to SIHAM for its services, some of SIHAM's clients allowed ABDI, on behalf of SIHAM, to make withdrawals directly from the clients' bank accounts. Some of SIHAM's clients issued checks to SIHAM from their bank accounts for ABDI, through SIHAM, to use in making such payments.

8. In 2006, SIHAM's clients included LAKES HOME HEALTH CARE SERVICES, INC. ("LHHC") and UNITED CARE, INC. ("UNITED CARE").

9. Paragraphs 1 through 8 are incorporated as part of each of the counts in this indictment.

COUNT 1

(Tax Evasion, 1st Quarter, 2006, LHHC)

10. Beginning approximately January 14, 2006, and continuing through at least July 31, 2006, the defendant, MOHAMED ABDI, through SIHAM SOLUTIONS, INC., agreed to provide payroll services to LAKES HOME HEALTH CARE SERVICES, INC.

11. On or before April 30, 2006, LHHC and MOHAMED ABDI, through SIHAM, were required to account on Form 941 to the IRS for the federal income and employment taxes withheld from LHHC's employees for the first quarter of 2006. LHHC and ABDI, individually or through SIHAM, failed to file a timely Form 941 for LHHC for the first quarter of 2006.

12. MOHAMED ABDI, through SIHAM, was required to make monthly payments on behalf of LHHC and its employees to the IRS for federal

income and employment taxes withheld from LHHC employees as follows:

MONTH	APPROXIMATE AMOUNT	DATE DUE
January 2006	\$16,535.22	February 15, 2006
February 2006	\$20,028.92	March 15, 2006
March 2006	\$19,061.44	April 15, 2006

The total amount due for the first quarter of 2006 was approximately \$55,625.58.

13. From approximately January 26, 2006, through approximately May 19, 2006, LHHC authorized MOHAMED ABDI, on behalf of SIHAM, to make withdrawals directly from an LHHC bank account in order for SIHAM to pay LHHC's employees, to pay income taxes withheld from LHHC employees to the IRS and to the Minnesota Department of Revenue, to pay employment taxes to the IRS on behalf of LHHC and its employees, to pay unemployment taxes to the state of Minnesota, and to pay SIHAM agreed upon fees for its services.

14. On or about January 19, 2006, approximately \$7,509.61 was deposited with the IRS on behalf of LHHC and its employees and credited toward the amount of federal income tax withholding and employment taxes owed for January 2006.

15. MOHAMED ABDI, individually or through SIHAM, failed to make any payments to the IRS from January 20, 2006, through at least April 30, 2006, for the federal income and employment taxes

withheld from LHHC's employees or for federal employment taxes owed by LHHC for the January, February, or March 2006.

16. Well knowing and believing the facts set forth in the preceding paragraphs of this count, the defendant,

MOHAMED ABDI,

in the State and District of Minnesota and elsewhere, did willfully attempt to evade and defeat the federal income and employment taxes due and owing by LHHC and its employees to the United States of America for the first quarter of calendar year 2006 by the following affirmative actions:

a. On or after April 9, 2006, MOHAMED ABDI unlawfully took money which he obtained from LHHC and its employees to pay their federal income and employment taxes and instead used the money for other purposes.

b. On or about April 21, 2006, MOHAMED ABDI, on behalf of himself and SIHAM, withdrew approximately \$50,000 from LHHC's bank account, in part for the purported purpose of paying the IRS for federal income and employment taxes withheld from LHHC employees and federal employment taxes owed by LHHC.

c. On or about April 9, 2007, MOHAMED ABDI filed a United States Individual Income Tax Return, Form 1040, for himself in which he did not report any of the income he received by diverting money from LHHC and other payroll service clients of SIHAM to himself and for his own purposes.

d. On or about April 6, 2010, a special agent of the IRS spoke by telephone with MOHAMED ABDI regarding the IRS criminal investigation of tax fraud in connection with payroll services he provided to clients through SIHAM. Among other things, ABDI falsely told the IRS agent he had not taken money from any of SIHAM's clients which was intended for paying the client's federal taxes and then failed to pay over the money to the IRS.

e. On or about May 4, 2010, two special agents of the IRS spoke in person with MOHAMED ABDI regarding the IRS criminal investigation of tax fraud in connection with payroll services he provided to clients through SIHAM. Among other things, ABDI falsely told the IRS agents he had not stolen any money from SIHAM's clients.

All in violation of Title 26, United States Code, Section 7201.

COUNT 2

(Tax Evasion, 2nd Quarter, 2006, LHHC)

17. Beginning approximately January 14, 2006, and continuing through at least July 31, 2006, the defendant, MOHAMED ABDI, through SIHAM SOLUTIONS, INC., agreed to provide payroll services to LAKES HOME HEALTH CARE SERVICES, INC.

18. On or about July 31, 2006, LHHC and MOHAMED ABDI, through SIHAM, timely filed a Form 941 on behalf of LHHC accounting to the IRS for the federal income and employment taxes withheld from LHHC's employees for the second quarter of 2006.

19. MOHAMED ABDI, through SIHAM, was required to make monthly payments on behalf of LHHC and its employees to the IRS for federal income and employment taxes withheld from LHHC employees as follows:

MONTH	APPROXIMATE AMOUNT	DATE DUE
April 2006	\$18,848.26	May 15, 2006
May 2006	\$18,463.00	June 15, 2006
June 2006	\$27,463.92	July 15, 2006

The total amount due for the second quarter of 2006 was approximately \$64,775.18.

20. From approximately January 26, 2006, through approximately May 19, 2006, LHHC authorized MOHAMED ABDI, on behalf of SIHAM, to make withdrawals directly from an LHHC bank account in order for SIHAM to pay LHHC's employees, to pay income taxes withheld from LHHC employees to the IRS and to the Minnesota Department of Revenue, to pay employment taxes to the IRS on behalf of LHHC and its employees, to pay unemployment taxes to the state of Minnesota, and to pay SIHAM agreed upon fees for its services.

21. MOHAMED ABDI, individually or through SIHAM, failed to make any payments to the IRS from April 1, 2006, through at least July 31, 2006, for the federal income and employment taxes withheld from LHHC's employees or for federal employment taxes owed by LHHC for April, May, or June 2006.

22. Well knowing and believing the facts set forth in the preceding paragraphs of this count, the defendant,

MOHAMED ABDI,

in the State and District of Minnesota and elsewhere, did willfully attempt to evade and defeat the federal income and employment taxes due and owing by LHHC and its employees to the United States of America for the second quarter of calendar year 2006 by the following affirmative actions:

a. On or after April 9, 2006, MOHAMED ABDI unlawfully took money which he obtained from LHHC and its employees to pay their federal income and employment taxes and instead used the money for other purposes.

b. On or about the following dates, MOHAMED ABDI, on behalf of himself and SIHAM, withdrew the following amounts from LHHC's bank account, in part for the purported purpose of paying the IRS for federal income and employment taxes withheld from LHHC employees and federal employment taxes owed by LHHC:

DATE OF WITHDRAWAL	AMOUNT OF WITHDRAWAL	AMOUNT PAID TO IRS FOR 2ND QUARTER 2006
April 21, 2006	\$50,000.00	\$0.00
May 5, 2006	\$40,000.00	\$0.00
May 19, 2006	\$52,000.00	\$0.00

c. On or about April 9, 2007, MOHAMED ABDI filed a United States Individual Income Tax Return, Form 1040, for himself in which he did not report any of the income he received by

diverting money from LHHC and other payroll service clients of SIHAM to himself and for his own purposes.

d. On or about April 6, 2010, a special agent of the IRS spoke by telephone with MOHAMED ABDI regarding the IRS criminal investigation of tax fraud in connection with payroll services he provided to clients through SIHAM. Among other things, ABDI falsely told the IRS agent he had not taken money from any of SIHAM's clients which was intended for paying the client's federal taxes and then failed to pay over the money to the IRS.

e. On or about May 4, 2010, two special agents of the IRS spoke in person with MOHAMED ABDI regarding the IRS criminal investigation of tax fraud in connection with payroll services he provided to clients through SIHAM. Among other things, ABDI falsely told the IRS agents he had not stolen any money from SIHAM's clients.

All in violation of Title 26, United States Code, Section 7201.

COUNT 3

(Tax Evasion, 2nd Quarter, 2006, United Care)

23. From at least June 1, 2006, and continuing through at least October 31, 2006, the defendant, MOHAMED ABDI, through SIHAM SOLUTIONS, INC., agreed to provide payroll services to UNITED CARE, INC.

24. On or before July 31, 2006, UNITED CARE and MOHAMED ABDI, through SIHAM, were required to account on Form 941 to the IRS for

the federal income and employment taxes withheld from UNITED CARE's employees for the second quarter of 2006. UNITED CARE and ABDI, individually or through SIHAM, failed to file a timely Form 941 for UNITED CARE for the second quarter of 2006.

25. MOHAMED ABDI, through SIHAM, was required to make monthly payments on behalf of UNITED CARE and its employees to the IRS for federal income and employment taxes withheld from UNITED CARE employees as follows:

MONTH	APPROXIMATE AMOUNT	DATE DUE
May 2006	\$1,329.44	June 15, 2006
June 2006	\$2,806.66	July 15, 2006

The total amount due for the entire second quarter of 2006 was approximately \$5,125.84.

26. From approximately June 5, 2006, through approximately September 29, 2006, UNITED CARE authorized MOHAMED ABDI, on behalf of SIHAM, to make withdrawals directly from a UNITED CARE bank account in order for SIHAM to pay federal income and employment taxes withheld from UNITED CARE employees to the IRS and to pay SIHAM agreed upon fees for its services.

27. MOHAMED ABDI, individually or through SIHAM, failed to make any payments to the IRS from April 1, 2006, through at least July 31, 2006, for the federal income and employment taxes withheld from UNITED CARE's employees for April, May, or June 2006.

28. Well knowing and believing the facts set forth in the preceding paragraphs of this count, the defendant,

MOHAMED ABDI,

in the State and District of Minnesota and elsewhere, did willfully attempt to evade and defeat the federal income and employment taxes due and owing by UNITED CARE and its employees to the United States of America for the second quarter of calendar year 2006 by the following affirmative actions:

a. On or about the following dates, MOHAMED ABDI, on behalf of himself and SIHAM, withdrew the following amounts from UNITED CARE's bank account, in part for the purported purpose of paying the IRS for federal income and employment taxes withheld from UNITED CARE employees:

DATE OF WITHDRAWAL	AMOUNT OF WITHDRAWAL	AMOUNT PAID TO IRS FOR 2ND QUARTER 2006
June 5, 2006	\$1,329.44	\$0.00
July 3, 2006	\$2,650.82	\$0.00

b. On or after June 5, 2006, MOHAMED ABDI unlawfully took money which he obtained from UNITED CARE and its employees to pay their federal income and employment taxes and instead used the money for other purposes.

c. On or about April 9, 2007, MOHAMED ABDI filed a United States Individual Income Tax Return, Form 1040, for himself in which he did not report any of the income he received by

diverting money from UNITED CARE and other payroll service clients of SIHAM to himself and for his own purposes.

d. On or about April 6, 2010, a special agent of the IRS spoke by telephone with MOHAMED ABDI regarding the IRS criminal investigation of tax fraud in connection with payroll services he provided to clients through SIHAM. Among other things, ABDI falsely told the IRS agent he had not taken money from any of SIHAM's clients which was intended for paying the client's federal taxes and then failed to pay over the money to the IRS.

e. On or about May 4, 2010, two special agents of the IRS spoke in person with MOHAMED ABDI regarding the IRS criminal investigation of tax fraud in connection with payroll services he provided to clients through SIHAM. Among other things, ABDI falsely told the IRS agents he had not stolen any money from SIHAM's clients.

All in violation of Title 26, United States Code, Section 7201.

COUNT 4

(Tax Evasion, 3rd Quarter, 2006, United Care)

29. From at least June 1, 2006, and continuing through at least October 31, 2006, the defendant MOHAMED ABDI, through SIHAM SOLUTIONS, INC., agreed to provide payroll services to UNITED CARE, INC.

30. On or before October 31, 2006, UNITED CARE and MOHAMED ABDI, through SIHAM, were required to account on Form 941 to the

IRS for the federal income and employment taxes withheld from UNITED CARE's employees for the third quarter of 2006. MOHAMED ABDI, individually or through SIHAM, failed to file a timely Form 941 for UNITED CARE for the third quarter of 2006.

31. MOHAMED ABDI, through SIHAM, was required to make monthly payments on behalf of UNITED CARE and its employees to the IRS for federal income and employment taxes withheld from UNITED CARE employees as follows:

MONTH	APPROXIMATE AMOUNT	DATE DUE
July 2006	\$1,525.62	August 15, 2006
August 2006	\$1,244.32	September 15, 2006
September 2006	\$1,047.18	October 15, 2006

The total amount due for the entire second quarter of 2006 was approximately \$3,817.12.

32. From approximately June 5, 2006, through approximately September 29, 2006, UNITED CARE authorized MOHAMED ABDI, on behalf of SIHAM, to make withdrawals directly from a UNITED CARE bank account in order for SIHAM to pay federal income and employment taxes withheld from UNITED CARE employees to the IRS and to pay SIHAM agreed upon fees for its services.

33. MOHAMED ABDI, individually or through SIHAM, failed to make any payments to the IRS from June 1, 2006, through at least October 31, 2006, for the federal income and employment taxes

withheld from UNITED CARE's employees for July, August, or September 2006.

34. Well knowing and believing the facts set forth in the preceding paragraphs of this count, the defendant,

MOHAMED ABDI,

in the State and District of Minnesota and elsewhere, did willfully attempt to evade and defeat the federal income and employment taxes due and owing by UNITED CARE and its employees to the United States of America for the second quarter of calendar year 2006 by the following affirmative actions:

a. On or after July 1, 2006, MOHAMED ABDI unlawfully took money which he obtained from UNITED CARE and its employees to pay their federal income and employment taxes and instead used the money for other purposes.

b. On or about the following dates, MOHAMED ABDI, on behalf of himself and SIHAM, withdrew the following amounts from UNITED CARE's bank account, in part for the purported purpose of paying the IRS for federal income and employment taxes withheld from UNITED CARE employees:

DATE OF WITHDRAWAL	AMOUNT OF WITHDRAWAL	AMOUNT PAID TO IRS FOR 2ND QUARTER 2006
August 1, 2006	\$1,525.62	\$0.00
August 31, 2006	\$1,244.32	\$0.00
September 29, 2006	\$1,047.18	\$0.00

c. On or about April 9, 2007, MOHAMED ABDI filed a United States Individual Income Tax Return, Form 1040, for himself in which he did not report any of the income he received by diverting money from UNITED CARE and other payroll service clients of SIHAM to himself and for his own purposes.

d. On or about April 6, 2010, a special agent of the IRS spoke by telephone with MOHAMED ABDI regarding the IRS criminal investigation of tax fraud in connection with payroll services he provided to clients through SIHAM. Among other things, ABDI falsely told the IRS agent he had not taken money from any of SIHAM's clients which was intended for paying the client's federal taxes and then failed to pay over the money to the IRS.

e. On or about May 4, 2010, two special agents of the IRS spoke in person with MOHAMED ABDI regarding the IRS criminal investigation of tax fraud in connection with payroll services he provided to clients through SIHAM. Among other things, ABDI falsely told the IRS agents he had not stolen any money from SIHAM's clients.

All in violation of Title 26, United States Code, Section 7201.

COUNT 5

(Failure To Pay Over Withheld Taxes)
(1st Quarter, 2006, LHHHC)

35. From on or about January 14, 2006, through on or after April 30, 2006, LAKES HOME HEALTH CARE SERVICES INC., was required

to account for and pay over to the IRS the federal income and employment taxes withheld from LHHC's employees for the first quarter of 2006.

36. From on or about January 14, 2006, through on or after April 30, 2006, the defendant, MOHAMED ABDI, through his company, SIHAM SOLUTIONS, INC., agreed with LHHC to account for and pay over to the IRS the federal income and employment taxes withheld from LHHC's employees for the first quarter of 2006. ABDI was therefore also required to account for and pay over to the IRS the federal income and employment taxes withheld from LHHC's employees for the first quarter of 2006.

37. During the first quarter of 2006, the defendant,
MOHAMED ABDI,
 having deducted and collected federal income taxes and employment taxes in the following amounts from the wages of LHHC's employees, did willfully fail, and willfully caused LHHC to fail, to timely pay over to the Internal Revenue Service said federal income and employment taxes which were due and owing to the United States of America for said quarter:

QUARTER	QUARTER ENDING	FEDERAL INCOME TAXES WITHHELD	SOCIAL SECURITY WITHHELD	MEDICARE WITHHELD
200603	3/31/06	\$10,708.00	\$36,403.65	\$8,513.76

All in violation of Title 26, United States Code, Section 7202 and Title 18, United States Code, Section 2(b).

COUNT 6

(Failure To Pay Over Withheld Taxes)
(2nd Quarter, 2006, LHHC)

38. From on or about April 1, 2006, through on or after July 31, 2006, LAKES HOME HEALTH CARE SERVICES INC., was required to account for and pay over to the IRS the federal income and employment taxes withheld from LHHC's employees for the second quarter of 2006.

39. From on or about April 1, 2006, through on or after July 31, 2006, the defendant, MOHAMED ABDI, through his company, SIHAM SOLUTIONS, INC., agreed with LHHC to account for and pay over to the IRS the federal income and employment taxes withheld from LHHC's employees for the second quarter of 2006. ABDI was therefore also required to account for and pay over to the IRS the federal income and employment taxes withheld from LHHC's employees for the second quarter of 2006.

40. During the second quarter of 2006, the defendant,
MOHAMED ABDI,
having deducted and collected federal income taxes and employment taxes in the following amounts from the wages of LHHC's employees, did willfully fail, and willfully caused LHHC to fail, to timely pay over to the Internal Revenue Service said federal income and

employment taxes which were due and owing to the United States of America for said quarter:

QUARTER	QUARTER ENDING	FEDERAL INCOME TAXES WITHHELD	SOCIAL SECURITY WITHHELD	MEDICARE WITHHELD
200606	6/30/06	\$12,856.00	\$42,078.18	\$9,840.86

All in violation of Title 26, United States Code, Section 7202 and Title 18, United States Code, Section 2(b).

COUNTS 7-8

(Failure To Pay Over Withheld Taxes)
(1st and 2nd Quarters, 2006, United Care)

41. From on or about June 1, 2006, through on or after October 31, 2006, UNITED CARE, INC., was required to account for and pay over to the IRS the federal income and employment taxes withheld from UNITED CARE's employees for the second and third quarters of 2006.

42. From on or about June 1, 2006, through on or after October 31, 2006, the defendant, MOHAMED ABDI, through his company, SIHAM SOLUTIONS, INC., agreed with UNITED CARE to account for and pay over to the IRS the federal income and employment taxes withheld from UNITED CARE's employees for the second and third quarters of 2006. ABDI was therefore also required to account for and pay over to the IRS the federal income and employment taxes withheld from UNITED CARE's employees for the second and third quarters of 2006.

43. During the second and third quarters of 2006, the defendant,

MOHAMED ABDI,

having deducted and collected federal income taxes and employment taxes in the following amounts from the wages of UNITED CARE's employees, did willfully fail, and willfully caused UNITED CARE to fail, to timely pay over to the Internal Revenue Service said federal income and employment taxes which were due and owing to the United States of America for said quarters:

QUARTER	QUARTER ENDING	FEDERAL INCOME TAXES WITHHELD	SOCIAL SECURITY WITHHELD	MEDICARE WITHHELD
200606	6/30/06	\$794.00	\$3,510.75	\$821.06
200609	9/30/06	\$567.00	\$2,634.07	\$616.03

All in violation of Title 26, United States Code, Section 7202 and Title 18, United States Code, Section 2.

A TRUE BILL

UNITED STATES ATTORNEY

FOREPERSON